

## Issue 50: INSIDER'S EDGE: COBRA Conundrums

Welcome to a special edition of the Insider's Edge! Although rolling out health reform hasn't always been easy, Medicaid Marge has now been here to help you along the way with tidbits of useful information for **50 ISSUES**! Thanks to all the readers out there who are putting the information to good use!

As always, loyal Insiders have some great questions about a topic we have yet to tackle—COBRA coverage!



*Fortunately, not this kind of cobra!*

### So what exactly is COBRA coverage?

Individuals who lose their health coverage under certain circumstances are eligible to keep their job-based insurance plan through COBRA continuation coverage. COBRA is a federal law that allows some individuals to pay to keep themselves and their family on their employee health insurance for a limited time (usually 18 months) after their employment ends or they otherwise lose coverage. I won't go into too many details on what makes someone eligible for COBRA, but readers who are unfamiliar with COBRA should [check this out](#).



**Jessie leaves her job to pursue her lifelong dream of becoming a country singer in August 2014, outside the open enrollment period. She is eligible for COBRA. Can Jessie shop for coverage and potentially qualify for advance premium tax credits (APTC) and cost sharing reductions (CSR) using Maryland Health Connection instead?**

Yes. Since Jessie is leaving her job and losing eligibility for her job-based health coverage, she will be eligible for a special enrollment opportunity that lasts for 60 days. She has two options:

- She can apply for a qualified health plan and see if she qualifies for subsidies using Maryland Health Connection or
- She can enroll in COBRA coverage through her former employer.

If Jessie decides to enroll in COBRA coverage, she will have to wait until she exhausts her COBRA coverage or until the next open enrollment (whichever comes first) to apply for benefits using Maryland Health Connection.

**Does the fact that Jessie is *eligible* for COBRA or other continuation coverage affect her eligibility for APTC or CSR in Maryland Health Connection?**

Nope. Just being *eligible* for COBRA doesn't affect Jessie's eligibility for premium tax credits or cost-sharing assistance if she decides to enroll in a qualified health plan (QHP).

**Can Jessie enroll in COBRA continuation coverage *and* qualify for Medicaid?**

Yes. Remember, Jessie can apply for Medicaid coverage using Maryland Health Connection at any point during the year. As long as she meets the eligibility requirements (income, etc.), she can qualify for Medicaid *even if* she is already receiving COBRA coverage.



**Jeremy lost his employer-sponsored coverage in September and elected to enroll in COBRA coverage. He's decided that paying for COBRA is too expensive. Can Jeremy drop his COBRA coverage during open enrollment and shop for coverage and subsidies using Maryland Health Connection?**

Yes. During open enrollment, Jeremy can sign up for a QHP using Maryland Health Connection even if he already has COBRA. Depending on his income, he may also qualify for subsidies. Jeremy will need to drop his COBRA coverage effective on the date his new QHP coverage begins.

If Jeremy meets the other eligibility requirements, it possible he may qualify for Medicaid.



**Jenny lost her employer-sponsored coverage and elected to enroll in COBRA coverage. On July 1, 2014, she decides paying for COBRA is too expensive. Can Jenny drop her COBRA coverage and apply for a QHP using Maryland Health Connection even though open enrollment is over?**

No. On March 31, the open enrollment period will close. Unfortunately for Jenny, voluntarily dropping her COBRA coverage or ceasing to pay her COBRA premiums will **not** trigger a special enrollment period.

In order for Jenny to apply for a QHP and subsidies using Maryland Health Connection, she will have to wait until she exhausts her COBRA coverage or until the next open enrollment (whichever comes first).

**But wait, can Jenny apply for Medicaid?**

Yes. Even though Jenny is enrolled in COBRA and won't be eligible to apply for subsidies to help pay for a QHP until the next open enrollment period, she CAN apply for Medicaid. Regardless of the time of year, individuals can *always* use Maryland Health Connection to apply for Medicaid. If Jenny qualifies for Medicaid, she can

- Continue to pay for her COBRA coverage and enroll in Medicaid or
- She can drop her COBRA coverage and receive all of her health benefits through the Medicaid program.

**Questions?** Send me a message, [dhmh.medicaidmarge@maryland.gov](mailto:dhmh.medicaidmarge@maryland.gov).